

POVERTY ALLEVIATION THROUGH INCOME GENERATION: ROLE OF WOMEN SELF HELP GROUPS

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ABSTRACT

The single greatest challenge, which the world faces today, is eliminating poverty from the globe. In the world nearly one out of four persons lives in absolute poverty and seventy per cent of these people are women. The poor women do not have enough capital to take up business enterprise on an individual basis. Self Help Groups (SHGs) have become significant institutions for poverty eradication and rural development by creating self-employment opportunities through microcredit which enhances the income level of women and improve their standard of living. The group approach of SHG makes the available collective wisdom and combined resources to harvest collective strength for poverty alleviation.

The investigation was carried in the regions of Telangana and Andhra Pradesh, India. A total of 1341 Office Bearers and 4858 Members data was studied for the status of Income Generating Activities, from 447 SHGs covering 264 villages from 228 Blocks (Mandals). Findings revealed that, more than fifty percent of the Self Help Groups were strong with Individual Income generation Activities, but weak in Group Income generation and Entrepreneurial Activities. The strong reason analysed was that, these SHGs were from Farming families and their major thrust is on Agriculture hence expressed their inability to initiate income generating activities, as most of their time goes for farming. Constructive measures with capacity building and continuous handholding, for scaling up big entrepreneurial business models in the areas of agriculture and allied sectors will definitely bring in valuable results, in addressing the poverty by doubling farm families' income.

KEYWORDS: SHG Women, Income Generating Activities, Participation & Poverty Alleviation

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INTRODUCTION

The single greatest challenge, which the world faces today, is eliminating poverty from the globe. In the world nearly one out of four person's lives in absolute poverty and seventy percent of these people, are women and they live on agriculture. Though, women shoulder a number of responsibilities in agriculture and allied activities, along with household responsibilities and child care, etc., they are not given adequate participatory or decision making power, in the family or elsewhere. Such power can be gained by women, if their economic status, cultural and social status improves. Such type of Overall improvement can be taken care, by Self-help Groups (SHGs). Self-help groups play today a major role in poverty alleviation in rural India. A growing number of poor people (mostly women), in various parts of India are members of SHGs and actively engage in

savings/ Thrift and credit, as well as in other activities viz. all forms of social reforms (domestic violence, child marriage, legal rights, health, nutrition, child care, abortions and feticides, child labour), women empowerment (social ,economic, legal) and income generation.

SHGs are small groups which are established, with the motive to provide the economic help, to the poor and vulnerable people, especially women which includes credit and saving facilities through mutual help and joint responsibility. SHG is a group based approach, with 10-20 members in each group, which facilitates the poor households to collect capital and also enables them, to access the financial facilities. The basic motive of SHG, is to reach the unreached or poor households specially women and empower them, through credit and saving facilitation (Anand, 2002).

The growth of Self-Help Groups (SHGs), is an evidence of the fact that women are coming out of their shells and effective in offering women the possibility to break gradually away from exploitation and isolation. They served as a catalyst in helping them to pull out of poverty. As the poor women do not have enough capital, to take up business enterprise on an individual basis, SHG's thrift and micro credit enabled women to gain greater control over resources like material possession, intellectual resources like knowledge, information, ideas and decision making in home, community, society and nation.

This study was carried with the specific objective- to understand the role of women groups in income generation and poverty alleviation. The investigation was carried in the regions of Telangana and Andhra Pradesh, India, a pioneering state/ states which has introduced SHGs on pilot basis, for poverty alleviation among the SAARC countries.

REVIEW OF LITERATURE

A study on Role of Self Help Groups (SHGs), among the Rural Farm Women in Relation to Labour Days and Income of the Seasonal Crop opines that, Economic empowerment of the women was increased, with their participation in Self Help groups (Subhadip Pal 2015).

Self-Help Groups mobilize women latent-energy and teach them, to earn their own livings. Micro-finance with self-help group plays, an effective role for promoting women empowerment. It is not only an efficient tool, to fight against poverty, especially by these most marginalized sections of the population. (Ajit Borah 2014)

Women entrepreneur of SHGs has good work force, under the dynamic setting of business, if women entrepreneur is given a proper guidance and training to enhance the profitability of the enterprises the future, will be bright and prosperous. (Rajasekaran R. and Sindhu. 2013).

A Study on Women Empowerment through, Self- Help Groups carried with Special Reference to Mettupalayam Taluk in Coimbatore District found that, the socio- economic factor has been changed, after joining the Self Help Groups. Majority (88%) Percent of the respondents were satisfied, as they economically improved their family (S.Thangamani and S. Muthuselvi, 2013).

A large percentage of SHGs were converted into viable economic units. Dairy farming, Piggery, weaving, goatery & poultry are the major economic units that are promoted, by SHGs (Sanjay Kanti Das 2012).

The Women Self Help Groups have played a dynamic role in the economic development. (SaravanaKumar 2012)

Banerjee (2009) observed that, from low-income group more people have shifted to high-income levels.

According to APMAS (2006), the economic benefits of SHGs as stated by their members are increased access, to credit and financial institutions, habit of savings, increased income, employment generation and improved food consumption -

Shylendra (2006) noted that, SHGs help members to experience improvement in their living standards.

METHODOLOGY

- An interview schedule was developed and administered, for data collection from the Women Self Help Groups, registered in 2008-09, by the District Rural development Agency/ Society for Elimination of Rural Poverty (SERP), Government of Andhra Pradesh /Telangana. To ensure wider representation, care was taken to select not more than 2-3 SHG from one village.
- The tool consisted of 3parts. The part one dealt with the information regarding the SHG and its members, their activities and Income generation. The second part pertains to the empowerment of the members. The third part consisted of empowerment of non members.

Sampling

- A total of 1341 Office Bearers and 4858 Members data was studied to understand the role of women groups in income generation and poverty alleviation., from 447 SHGs covering 264 villages from 228 Blocks (Mandals) from the States of Telangana and Andhra Pradesh.

RESULTS &DISCUSSIONS

The research findings (table 1) revealed that, with the continuous hand holding of the Government officials and field staff of SERP, with a missionary mode throughout the formation process of SHGs and regular contacts, with the women, had created great impact on the SHG women, which led to the strong unification and assurance, among the group members leading to the dedicated sustainability of the SHGs. Hence, out of 447 SHGs studied over a period of 5 years, it was observed that, no SHG was defuncted or discontinued. This establishes the recognition of the Government of India (GoI) and the Reserve Bank of India (RBI), that community participation and partnership is fundamental necessity, for the development approach of the disadvantaged (Supriya D'souza 2010). Found SHGs as an interesting and effective strategy, to provide banking services acted as a promoter, organizer and facilitator of SHGs, by promoting microfinance intermediaries, building people's institutions, creation of social capital, micro insurance, micro pension, livelihood development etc., to the 'un-bankable' people.

Table 1: Groups According to Their Sustainability

N = 447

No. of Sustaining SHGs	No. of Discontinue SHGs
447	0

Entrepreneurship is the process of designing, launching and running a new business, which is more often initially a small business, offering a product, process or service for sale or hire. While Income Generating Activity (IGA), is an economic activity with the aim of improving the living conditions of poor households. This may be the production of goods or services—including commerce—or a combination of both, in rural as well as urban areas.

From the study it was found that (table 2), only negligible amounts i.e. 2.24 percent of SHG groups are involved in Entrepreneurial activity, but fifty one percent (51%) groups of total sustaining groups are involved, in income generation activities. Though, the groups are active and sustaining groups, which are active with Micro Finance, Regular meetings and Social activities, nearly fifty percent (47.20 %) of the groups are not involved, in Income Generation activities. Only half of the members (50.56%) are involved in income generation.

The members of SHGs could take up a number of income generating activities, due to the credit and support provided by their respective SHGs. Women were involved in varied income generating activities, like Kirana (grocery) Shops, Vegetable vending, tailoring and boutiques, dairy, goat rearing, jewelry & bangle stores, Sarees and petty coat, Leather goods etc.

Table 2: Percentage Distribution of SHG's According to Their Present Status

N = 447

Centers	Group entrepreneur. & Micro Fin.	Individual Income generating.+ Micro-Fin	Groups which are Active with Micro Finance and Social Issues but not Active in Income Generation.
AP/Telangana (n= 447)	10	226	211
Percentage %	2.24	50.56	47.20
Mean	0.13	2.52	1.88

Table 3: Percentage Distribution of Members /Groups Involved in Income Generating

N = 447

Center	Groups whose Members are Involved in Income Generation (n=No of Sustaining Groups)		Members of Groups Involved in Income Generation (n=Total Members of Sustaining Groups)		Members Involved in Income Generation (n=Total Members of Groups Involved in Income Generation)		Percentage of Members Involved in Income Generation (n= Members Involved in Income Generation)			
							Were Doing it before Membership		Started After Becoming Member	
	F	%	f	%	F	%	f	%	f	%
AP/Telangana (n= 447)	226	50.55	273	61.07	273	61.07	0	0	273	61.07

The investigation clearly proved that, majority of the members (61%) has started income generating activities only, after becoming SHG member. It is revealed from the above - table 3 that, all the sustaining groups who are involved in Income Generating Activity and enhanced their incomes showing the significant change, after association with the SHGs (table 4).

Table 4: Source of Investment for Entrepreneurial Activities By Groups**N = 447**

Centre	No. of Entrepreneurial Groups	Amount invested (Rs.)	Source Wise % of Amount Invested (% to be Calculated from the Total Amount Invested)			
			From Personal Savings of Members	Group Saving of SHG	Bank Loan	Any other
AP/Telangana	10	1110000	170000.00	165000.00	775000.00	0

When, it comes to the investment part for the entrepreneurial activity, done by the SHGs (10SHGs) it unveils that, maximum portion of the investment was contributed by the bank loans, which is the main positive feature of being the member of an SHG. Secondly, it comes from the collective savings of the group. This allows an individual/ SHG member to participate, in the economic activities such as saving, credit and income generation thereby, ensuring economic independence, ultimately leading to attain the aim of economical enhancement of the SHG member. With this improvement several SHG, women turned in to the successful entrepreneurs. SHG is very helpful in the progress of women enterprises and Individual Income Generators, since SHG is providing the ample support, in the form of micro credit to the women to establish or develop their own small enterprise or Income Generating Activity accordingly, providing the support to the poor and needy women to increase their level of income , forbidding their dependency on private micro credit sources who claims large interests on the debts and confers to their family revenue , with this women are also taking part in family decision making.

Table 5: Groups According to Reasons Not Active in Income Generation**N= 447**

Reasons	AP/Telangana
Lack of Interest	36.02
Lack of Time	53.23
Non Cooperation	33.33
Conflict Among Members	0
Lack of Contact With Members	0
Lack of Trust	14.06
Lack of Trainings	17.38
Lack of Govt. Support in Sale of Produce	0
Lack of Knowledge	50.55
Problem in Taking Loan	30.96
Marketing Related Issues	46.45

Above table reveals that, Lack of time (53%), Lack of knowledge (51%), Market related issues (47%), lack of interest (36%), non -co-operation among members (33%), were the main reasons reported by the dormancy for not starting any income generation or entrepreneurship projects by the respondents who falls under dormant groups.

CONCLUSIONS

The continuous hand holding of the GOVT officials, throughout the formation process of SHGs and regular contacts with the women had created great impact, on the SHG women which led to the strong unification and assurance among the group members, leading to the long-term sustainability of the SHGs that is proved from the study that, no single SHG was discontinued and all the (447) SHGs were continuing, since 2008. Though, the groups are active and sustaining only half of the members are involved in income generation, this may be due to the SHGs are from Farming families and their major thrust is on Agriculture hence, expressed their inability to initiate income generating activities as most of their time goes for farming. The SHGs are weak in Entrepreneurial and Income generating activities. The IG as well as entrepreneurial activities needs to be scaled up as big business models in the rural areas, especially in agriculture and allied sectors as India is an agrarian society. The main reason sheered by most of respondents was lack of time, as they are engaged most of the time in agricultural activities, belonging to the agrarian families followed by the reasons of Lack of knowledge and Market related issues, as the main reasons for their dormancy and not starting any Income Generating Activities. The Income Generating, as well as entrepreneurial activities needs to be scaled up, into big business models in the rural areas, especially in agriculture and allied sectors as India is an agrarian society.

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